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A party congress in Budapest on 25-28 March is likely to set a cautious strategy for further economic reforms. Personnel changes also may have an impact on the eventual succession to Kadar

At 72, Kadar remains firmly in command and has not permitted the emergence of a heir-apparent. Earlier rumors that he would step down now appear unfounded. [ ] at least he may make a few personnel changes to ease toward a later transition. Speculation usually settles on longtime aide Nemeth, economics spokesman Havasi and foreign policy advisor Szuros as top contenders.

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Some observers expect Kadar to change half the Politburo and Central Committee in a long-postponed replacement of older party leaders. But Kadar usually keeps on loyal colleagues even if they are merely symbols of continuity. If he makes such deep changes this time, pre-succession maneuvers may begin in earnest.

The main agenda centers on ways to restore movement to an economic reform which, due to waverings in the 1970s, fell far short of expectations. The reformers -- led by Party Secretary Havasi who was in Washington last month -- want rapid progress toward market prices and incentives to help rationalize the economy.

- They prevailed at an important plenum in April 1987 and raised prices sharply in January.
- The rise of Gorbachev may mean new Soviet support for Hungary's reform.

But we do not expect a total victory for reformers. They must tread softly as the January price hikes caused grumbling after technocrats muffed public briefings on the regime's rationale. Sandor Gaspar subsequently regained his leading role as chief trade union spokesman -- a position he used to criticize reforms in the 1970s.

Hopes for political reforms are dim. This spring's national elections will see multiple candidacies but not many real choices and devolution of power to local political leaderships is moving at a snail's pace. More disturbing is a new tough line on cultural matters. Kadar is upset at publication of a poem last December which raked up the unsettled issue of his guilt for Imre Nagy's execution. He named a tough disciplinarian to lead the capital's party organization and direct the crackdown.

Congress speakers may be tempted to raise the plight of Hungarian minorities in neighboring Communist countries -- especially Romania. Kadar often tries to preempt dissident nationalists by making official demarches about Romania's intolerance. This tack recently led to polemics with several of Hungary's Pact neighbors -- and an unofficial rebuke by Moscow.